



NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT

February 13, 2019

Joint Legislative Committee on Local Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Assistant

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603
Attention: Director

North Carolina Local Government Commission
3200 Atlantic Avenue
Longleaf Building
Raleigh, North Carolina 27604
Attention: Secretary

City of Charlotte, North Carolina
Installment Financing (Convention Center)

In accordance with N.C. Gen. Stat. §120-157.2(a) (the “Statute”), the City of Charlotte, North Carolina (the “City”) hereby notifies you of its intent to finance renovations and improvements to the City’s Convention Center and the acquisition of a condominium interest in meeting and ballroom space in the Hotel and Conference Center being constructed by The Foundation of the University of North Carolina at Charlotte, Inc. (collectively, the “2019 Project”).

Pursuant to N.C. Gen. Stat. §160A-20, the City and New Charlotte Corporation (the “Corporation”) have previously entered into an installment purchase contract (the “Convention Facility Contract”) to finance the development of the City’s Convention Center and various convention-related facilities. To secure its obligations under the Convention Facility Contract, the City has granted a lien on the real property on which the Convention Center is located and all improvements thereon (collectively, the “Convention Center Collateral”).

Simultaneous with the financing the 2019 Project, the City expects to refinance some of its existing obligations under the Convention Facility Contract to achieve debt service savings.

To finance the 2019 Project and refinance existing obligations, the City and the Corporation expect to enter into an amendment to the Convention Facility Contract and, in connection with such amendment, the Corporation expects to execute and deliver certificates of participation in a principal amount of approximately \$142,500,000 (the “2019 Certificates”). The 2019 Certificates will be secured on parity with the City’s existing obligations under the Convention Facility Contract by the lien on the Convention Center Collateral. From the proceeds of the Convention Facility Certificate, the City expects to use approximately \$120,000,000 to finance the 2019 Project. The City expects to amortize the portion of the 2019 Certificates used to finance the 2019 Project over a term of approximately 30 years.



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MANAGEMENT & FINANCIAL SERVICES
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The City expects to repay its obligations related to the 2019 Certificates from (1) a portion of the proceeds of a 3% room occupancy tax and a 1% prepared food and beverage tax levied by the County of Mecklenburg, North Carolina and transferred to the City, as authorized by Session Law 2013-26, and (2) other funds available for such purpose. The City's obligation to make payments with respect to the 2019 Certificates are a limited obligation of the City, subject to annual appropriation, and does not constitute a direct or indirect pledge of the faith and credit or the taxing power of the City.

The City expects that the Local Government Commission of North Carolina (the "*Commission*") will consider for approval the City's proposal to enter into an amendment to the Convention Facility Contract at the Commission's April 2nd, 2019 meeting or at such other meeting as the City and the Commission may determine.

CITY OF CHARLOTTE, NORTH CAROLINA

By: Robert D. Campbell
Robert D. Campbell
Finance Officer